

## **ATTACHMENT 1**

### **Responses to Questions 9 – 12, and 15 of IBFS International Section 214 Application**

9. This Application qualifies for streamlined processing. While Emergia U.S.A., Inc. (“Emergia”) is affiliated with dominant foreign carriers in Argentina, Chile and Peru. Emergia agrees to be classified as a dominant carrier between the United States and Argentina, Chile, and Perú. Emergia will comply with the requirements set forth in 47 C.F.R. §63.10(c) with regard to its provision of traffic on those routes. Emergia is entitled to non-dominant classification on all other routes. Emergia’s affiliates in Brazil, Colombia, El Salvador, Guatemala, México and Uruguay are cellular and/or competitive carriers controlling far less than 50% of their relevant international transport and local markets. Emergia, therefore, qualifies for a presumption of non-dominance on these routes under 47 C.F.R. §63.10(a)(3). Except for Cuba, which is not a destination country for purposes of this Application, Emergia is not affiliated with foreign carriers in any other countries, and thus qualifies for a presumption of non-dominance on all other international routes.

10. Except for Mexico and Honduras, Emergia certifies that all other countries in which it seeks to provide switched basic services over authorized private lines are countries in which the Federal Communications Commission (the “FCC”) has authorized the provision of such services. With respect to Mexico and Honduras, the settlement rate for termination of traffic in those countries is at or below the benchmark settlement rate adopted for those countries in IB Docket No. 96-261.

11. and 12. Emergia certifies that it is not a foreign carrier but is affiliated with foreign carriers in Argentina, Brazil, Chile, Colombia, El Salvador, Guatemala, Mexico, and Perú.

Emergia certifies that it does not seek to provide services to any country in which (1) it is a foreign carrier; (2) it controls a foreign carrier; or (3) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25% of Emergia and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications service in the United States. Emergia also certifies that it is a wholly owned indirect subsidiary of Telefonica, S.A. (“Telefonica”), which directly or indirectly controls foreign carriers or holds a 25% or greater interest in foreign carriers in the following destination countries to which Emergia seeks to provide international telecommunication services.

**Argentina**

In Argentina, Telefónica, through Telefónica Internacional, S.A. (“TISA”), owns 32.28% of Telefónica Argentina S.A. (“TASA”), which provides local, long-distance and international telephone services in Argentina. Telefónica, through TISA, also owns 12.67% of Compañía Internacional de Telecomunicaciones, S.A. (“COINTEL”). Telefónica, through Telefonica International Holding B.V. (“TI Holding”), a wholly owned subsidiary of TISA, owns an additional 37.33% of COINTEL. Further, TISA owns 100% of Telefónica Holding Argentina S.A. which, in turns owns 50% of COINTEL. COINTEL owns approximately 64.84% of TASA. TISA manages TASA pursuant to a management agreement.

Telefónica, through its wholly owned subsidiary Telefónica DataCorp S.A. (“Telefonica DataCorp”), has a 97.92% ownership interest in Telefonica Data Argentina S.A., which provides data services in Argentina.

Telefónica, through Telefonica Móviles, S.A. (“Moviles”) and Telefónica Móviles Holding, S.A., indirectly owns 97.93% of Telefónica Comunicaciones Personales, S.A., which provides wireless services in Argentina.

**Brazil**

In Brazil, Telefónica, through Móviles and a series of holding companies, holds a controlling interest in the following local wireless carriers: (1) Telerj Celular S.A. (Rio de Janeiro); (2) Telest Celular S.A. (Spirito Santo); and (3) Celular CRT, S.A. (previously a part of the local wireline carrier, Companhia Riograndense de Telecomunicações, S.A.).

Telefónica, through TISA, also holds a 65.81% interest in Telecomunicações de Sao Paulo, S.A. (“TELESP”), which provides local and domestic long distance services. TISA also owns a 99.99% ownership interest in São Paulo Telecomunicações Holding Ltda., which owns 21.68% of TELESP.

In addition, Telefónica, through Telefónica DataCorp, Telefónica Data do Brasil Ltda. and Telefónica Data Brasil Holding, S.A., owns 99.9% of Telefónica Empresas, S.A., which provides data services in Brazil. Finally, Telefónica, through Móviles, manages and holds a 27.69% ownership interest in two local wireless carriers: (1) Telebahia Celular, S.A.; and (2) Telegipe Celular, S.A.

**Chile**

In Chile, Telefónica, through TISA and TI Holding, owns 43.64% of Compañía de Telecomunicaciones de Chile, S.A. (“CTC”), through TI Holding’s 100% ownership of Telefónica Chile Holding B.V. (which owns 100% of CTC’s immediate parent, Telefónica Internacional de Chile, S.A.). CTC owns 99.16% of Compañía de Telecomunicaciones de Chile Transmisiones Regionales, S.A., a long distance service provider, and 100% of Compañía de Telecomunicaciones de Chile Comunicaciones Moviles, a wireless telecommunications company. CTC provides local exchange and international services. Through its subsidiaries, CTC provides long distance and wireless services.

**Colombia**

In Colombia, Telefónica, through Telefónica DataCorp, has a 65% interest in Telefónica Data Colombia, which provides data services.

**El Salvador**

In El Salvador, Telefónica, through Móviles, holds a 60.77% interest in Telefónica Móviles El Salvador S.A. de C.V. (“Moviles El Salvador”), a provider of long distance and wireless services in El Salvador. Móviles holds this interest through its 67.3% interest in TES Holding, S.A. de C.V., which in turn owns 90.3% of Moviles El Salvador’s shares.

**Guatemala**

In Guatemala, Telefónica, through Móviles and TCG Holdings, S.A., holds a controlling 67.3% interest in (1) Tele Escucha S.A., which provides paging services in Guatemala; and (2) Telefónica Centro America Guatemala S.A., which provides long distance and wireless services in Guatemala.

**Mexico**

In Mexico, Telefónica, through Telefónica DataCorp, owns 49% of Telefónica Data México, S.A. de C.V., which provides data services in Mexico. Telefónica, through Telefónica DataCorp owns 49% of Telefónica Data Holding México, S.A. de C.V., which owns an additional 51% of Telefónica Data México, S.A. de C.V. Telefónica, through Móviles, owns 100% of (1) Baja Cellular Mexicana, S.A. de C.V. (“BAJACEL”); (2) Movitel del Noroeste, S.A. de C.V. (“MOVITEL”); (3) Telefonía Celular de Norte, S.A. de C.V. (“NORCEL”); and (4) Celular de Telefonía, S.A. de C.V. (“CEDETEL”), each of which, directly or indirectly, is a provider of wireless services in Mexico.

**Peru**

In Perú, Telefónica, through TISA, owns 49.53% of Telefónica del Perú, S.A.A. (“TDP”), a provider of local, long distance and international services in Perú. TISA, through its 100% ownership interest in Telefónica Perú Holding, S.A., also owns an additional approximately 47.54% of TDP. Telefónica Perú Holding, S.A. controls a majority of the TDP Board and TISA has a management contract to operate TDP.

Telefónica, through Telefónica DataCorp, owns 97.08% of Telefónica Data Perú, S.A.A., which provides data services in Perú. Telefónica, through Móviles and Telefónica Móviles Perú Holding, S.A.A., also indirectly owns 97.97% of Telefónica Móviles, S.A.C., which provides wireless services in Perú.

Emergia certifies that it is affiliated with foreign carriers in Argentina, Brazil, Chile, Colombia, El Salvador, Guatemala, Mexico, and Perú. All of these destination countries are members of the WTO.

Emergia certifies that it will file the requisite quarterly traffic reports for all routes on which it is regulated as dominant, i.e., Argentina, Chile, and Perú, as required by 47 C.F.R. §43.61(c).

Emergia agrees to be classified as a dominant carrier between the United States and Argentina, Chile, and Perú, where the Emergia is affiliated with dominant foreign carriers. Emergia will comply with the requirements set forth in 47 C.F.R. §63.10(c) with regard to its provision of traffic on those routes. Emergia is entitled to non-dominant classification on all other routes. Emergia's affiliates in Brazil, Colombia, El Salvador, Guatemala, and México are cellular and/or competitive carriers controlling far less than 50% of their relevant international transport and local markets. Emergia, therefore, qualifies for a presumption of non-dominance on these routes under 47 C.F.R. §63.10(a)(3). Except for Cuba, which is not a destination country for purposes of this Application, Emergia is not affiliated with foreign carriers in any other countries, and thus qualifies for a presumption of non-dominance on all other routes to Central and South America.

15. Emergia has not previously received authority under Section 214 of the Act.

In this Application, Emergia request global authority pursuant to 47 C.F.R. §63.18(e)(1), (2) and (4) to provide facilities-based and resale services to all points in Central and South America, including affiliated countries. The proposed services will include international basic switched, non-interconnected private line, data, television and business services to all points in Central and South America. These services will also include international basic services via private lines to authorized countries. Emergia certifies by signature to this Application that it will comply with the conditions contained in 47 C.F. R. §63.21-23.

Emergia is seeking facilities-based and resale authority under 47 C.F.R. §63.18(e) to provide international services to all points in Central and South America. The grant of this Application will not constitute an action that has a significant environmental effect as defined in 47 C.F.R. §1.1307. Accordingly, this action is categorically excluded from environmental processing under 47 C.F.R. §1.1306, and the environmental assessment described in 47 C.F.R. §1.1311 need not be submitted with this Application.